

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



REC'D TN
REGULATORY AUTH.

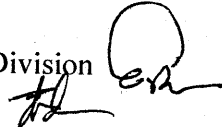

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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

OFFICE OF THE
EXECUTIVE SECRETARY

MEMORANDUM

TO: Chairman Sara Kyle
Director Lynn Greer
Director Melvin Malone

FROM: Eddie Roberson, Chief, Consumer Services Division
Ed Mimms, Manager, Do Not Call Program 
Lynn Questell, Counsel 

DATE: January 23, 2002

SUBJECT: Settlement with Advantage Investors Mortgage Corporation
(Docket No. 01-00916)

Attached is a Settlement Agreement between the Consumer Services Division ("Staff") and Advantage Investors Mortgage Corporation (referred hereafter to as "Advantage") for violations of the Tennessee Do-Not-Call Telephone Sales Solicitation statute, TCA § 65-4-401 *et seq.* Advantage registered with the Tennessee Regulatory Authority ("Authority") as a solicitor on August 27, 2001.

Eight (8) separate complaints have been registered against Advantage with the Authority alleging that the company violated TCA § 65-4-401 *et seq.* This Settlement requires the company to make a payment of \$12,000 to the Authority along with assurances from the company that it will fully comply with applicable state law. The terms of this Settlement require the company to pay the \$12,000 to the Authority within fifteen (15) days of Authority ratification of the Settlement. A representative of Advantage will be available at the February 5, 2002 Conference to answer any question you may have.

Considering all relevant facts, the Staff believes the terms of this Settlement are fair and reasonable and should have the result of no additional telemarketing complaints being filed against Advantage.

Staff submits the attached Settlement Agreement for your deliberation at the February 5, 2002 Authority Conference.

cc: David Waddell, Executive Secretary
Richard Collier, General Counsel
W. Mitchell Cone, Advantage Counsel

THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE

IN RE:

ALLEGED VIOLATIONS OF TENN.
CODE ANN. §65-4-401 *et seq.*, DO-NOT-
CALL SALES SOLICITATION LAW,
AND RULES OF TENNESSEE
REGULATORY AUTHORITY, CHAPTER
1220-4-11, BY:

ADVANTAGE INVESTORS MORTGAGE
CORPORATION

)
)
) TRA DOCKET NO. 01-00916
)
) DO-NOT-CALL T01-00375
) PROGRAM T01-00382
) FILE NUMBERS T01-00387
) T01-00388
) T01-00397
) T01-00413
) T01-00426
) T01-00462

SETTLEMENT AGREEMENT

This Settlement Agreement has been entered into between the Consumer Services Division ("CSD") of the Tennessee Regulatory Authority ("TRA") and Advantage Investors Mortgage Corporation ("Advantage" or the "Company"). This Settlement Agreement is subject to the approval of the Directors of the TRA.

This Settlement Agreement pertains to eight (8) separate complaints received by the CSD alleging that Advantage violated the Tennessee Do-Not-Call Telephone Sales Solicitation law, TENN. CODE ANN. § 65-4-404, and TENN. COMP. R. & REGS. 1220-4-11.07(1), by knowingly making or causing to be made telephone sales solicitation calls to eight (8) residential subscribers in this state who had given timely and proper notice to the TRA of their objection to receiving telephone solicitations. CSD provided the Advantage office in Reston, Virginia with notice of these complaints via certified mail on June 25, July

10, July 12 and July 27, 2001. The CSD determined to provide such notice at the Advantage office in Reston, Virginia because the toll-free telephone number provided in each of the solicitation calls terminated at that office. At the time these calls were made, Advantage was not registered in the Tennessee Do-Not-Call Program.

TENN. CODE ANN. § 65-4-405(f) authorizes the TRA to assess penalties for violations of the Tennessee Do-Not-Call statutes, including the issuance of a cease and desist order and the imposition of a civil penalty of up to a maximum of two thousand dollars (\$2,000) for each knowing violation. The maximum fine faced by Advantage in this proceeding is eighteen thousand dollars (\$18,000), arising from the eight (8) complaints and the failure to register in the Do-Not-Call Program. CSD relied upon the factors stated in TENN. CODE ANN. § 65-4-116(b) during the negotiations which resulted in this agreement, including Advantage's size, financial status, and good faith and the gravity of the violations.

Advantage is a company employing approximately five hundred workers nationwide. Its executive office is located in Dallas, Texas. During the investigation, Advantage demonstrated its good faith by registering as a telephone solicitor with the TRA on August 27, 2001, three days after its in-house counsel received notice of the violations. Advantage informed the CSD that it would have responded immediately after receiving notice of the first violations and ceased any subsequent solicitations, but an employee in its Reston office forwarded the notice to the president of Sound Media Group and Sound Media Group d/b/a Dominion Sales & Marketing (hereinafter "Sound Media"), the firm

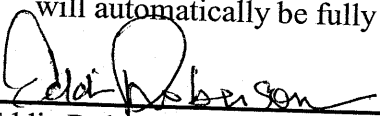
conducting Advantage's telemarketing services, rather than to Advantage's executive office in Texas.

In an effort to resolve these eight (8) complaints, represented by the file numbers above, CSD and Advantage agree to settle this matter based upon the following acknowledgements and terms subject to approval by the Directors of the TRA:

1. Advantage neither admits nor denies that the eight (8) complaints against it are true and valid complaints and are in violation of TENN. CODE ANN. §65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1).
2. Advantage has been registered with the TRA as a telephone solicitor since August 27, 2001 and obtains a monthly copy of the Do-Not-Call Register.
3. After receiving notice of the complaints that are the subject of this agreement, in-house counsel for Advantage acted in a cooperative manner by immediately contacting CSD and expressing an interest in settling the complaints.
4. Advantage agrees to a settlement payment of twelve thousand dollars (\$12,000.00) as authorized by TENN. CODE ANN. §65-4-405(f), and agrees to remit that amount to the TRA within fifteen (15) days of the date the Directors of the TRA approve this Settlement Agreement. Upon payment of the amount of twelve thousand dollars (\$12,000.00) in compliance with the terms and conditions of this Settlement Agreement, Advantage is excused from further proceedings in this matter.
5. Advantage agrees to comply with all provisions of the Tennessee Do-Not-Call Telephone Sales Solicitation law and regulations. The Company voluntarily subscribed

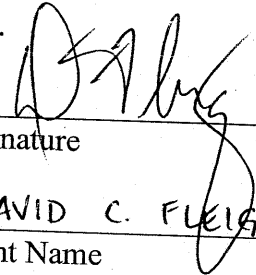
to the TRA's Do-Not-Call Register and now has in place policies and procedures designed to prevent calls to Tennessee residents listed on the Do-Not-Call Register.

6. Advantage agrees that a designated representative will attend the Authority Conference at which the Directors will consider this Settlement Agreement.
7. In the event of any failure on the part of Advantage to comply with the terms and conditions of this Settlement Agreement, the Authority reserves the right to re-open this docket for the purpose of securing compliance and enforcing the Settlement Agreement. Any costs incurred in enforcing the Settlement Agreement shall be paid by Advantage.
8. As of the date of this Agreement, the parties are not aware of calls to persons on the TRA Do-Not-Call Register for the purpose of soliciting business for Advantage, other than the complaints set forth in this Agreement. The TRA and Advantage agree that upon payment of the \$12,000.00 set forth herein to the TRA, all claims that the TRA could otherwise bring against Advantage for any calls made prior to November 1, 2001 will automatically be fully compromised and settled.



Eddie Roberson
Chief, Consumer Services Division
Tennessee Regulatory Authority
1-22-02

Date



Signature
DAVID C. FLEIG

Print Name
CEO

Print Title

Advantage Investors Mortgage Corporation
1/10/02

Date